

**TENNESSEE MOTOR VEHICLE COMMISSION
BOARD MEETING
January 14, 2008 9:30 A.M.
CONFERENCE ROOM 160
DAVY CROCKETT TOWER, 500 JAMES ROBERTSON PKWY.
NASHVILLE, TENNESSEE 37243**

ROLL CALL:

	<u>PRESENT</u>	<u>ABSENT</u>
BRENT SMITH	X	
EDDIE ROBERTS	X	
JOHN BARKER	X	
GEORGE BASS	X	
KENT BEWLEY	X	
MELISSA BLANKENSHIP	X	
KEVIN CULLUM		X
DONNIE HATCHER	X	
NATE JACKSON	X	
CHAD JONES		X
ALLEN LEWIS	X	
LARRY LEWIS	X	
TRAVIS MCDONOUGH		X
STAN MCNABB	X	
JOE PREBUL	X	

The Tennessee Motor Vehicle Commission Meeting was called to order by Chairman Brent Smith on January 14, 2008. Roll Call was taken with a total of (12) member's present.

A Motion was made by Commissioner Stan McNabb, and seconded by Commissioner Allen Lewis, to adopt the agenda.

MOTION PASSED UNANIMOUSLY

REVIEW COMMITTEE

The Review Committee advised the Commission that the Committee had discussed the attached legal report with counsel and moved that the Commission adopt the attorney's recommendations with the following exceptions.

Complaint 2007068821- Consumer purchased 2007 Kia Sedona for \$21,994. A week after the purchase, consumers saw dealership's newspaper advertisement listing the vehicle (same stock number) for \$16,998. Dealership said ad was a mistake and refused to honor price.

Recommendation: Authorization for \$3,000 civil penalty or Formal Hearing.

Review Committee Recommendation: Close with Letter of Warning.

Complaint 2007054271- Dealer took loan out using titles to vehicles on his lot as collateral. After vehicles purchased, consumers cannot get titles to and registration for vehicles.

Recommendation: Authorization for \$2,000 civil penalty or a Formal Hearing.

Review Committee Recommendation: Authorization for a Formal Hearing with recommendation for revocation.

Complaint 2007084901- Dealer has not paid \$500 citation issued in October 2007 for unlicensed activity-operating dealership at different address.

Recommendation: Authorization for \$500 civil penalty or a Formal Hearing.

Review Committee Recommendation: Authorization for \$1,000 civil penalty or a Formal Hearing.

Complaint 2007084891- Dealer has not paid \$500 citation issued in October 2007 for unlicensed activity- operating dealership at different address.

Recommendation: Authorization for \$500 civil penalty or a Formal Hearing.

Review Committee Recommendation: Authorization for \$1,000 civil penalty or a Formal Hearing.

Complaint 2007081411- Dealer took vehicle in on trade. Owner of the vehicle signed an application for a lost title. At the time of the trade-in, the courthouse was closed, and the dealer could not verify. Vehicle was then sold to Complainant, and when dealer took title to courthouse to be transferred, he was advised vehicle had a pre-existing lien on it. The dealer was unable to transfer the title. Complainant subsequently sold vehicle in another state, and it has been registered on an abandoned vehicle title.

Recommendation: Close with Letter of Warning.

Review Committee Recommendation: Authorization for \$1,000 civil penalty or a Formal Hearing.

A Motion was made by Commissioner Kent Bewley, and seconded by Commissioner George Bass, to approve the recommendations of the Review Committee.

VOICE VOTE UNANIMOUS

RULES COMMITTEE

PROPOSED RULES AMENDMENTS

Commissioner Stan McNabb presented the Rules Committee's proposed amendments to the Motor Vehicle Commission Rules.

A Motion was made by Commissioner Larry Lewis, and seconded by Commissioner Stan McNabb, to amend the proposed rule amendments to raise the liability insurance to two hundred fifty thousand dollars (\$250,000), and require any lease to state the dealer will have fifteen (15) designated parking spaces.

VOICE VOTE 11- YES 1-NO

A Motion was made by Commissioner Larry Lewis, and seconded by Commissioner John Barker, to amend the proposed rule amendments to raise the liability insurance requirement for Dismantlers/Recyclers from sixty thousand (\$60,000) to two hundred fifty thousand dollars (\$250,000).

VOICE VOTE UNANIMOUS

A Motion was made by Commissioner Larry Lewis, and seconded by Commissioner Nate Jackson, to reconsider the previous action adopting his motion to amend the proposed rule amendments to raise the liability insurance to two hundred fifty thousand dollars (\$250,000), and require any lease to state the dealer will have fifteen (15) designated parking spaces.

VOICE VOTE UNANIMOUS

Commissioner Larry Lewis withdrew his original motion and Commissioner Stan McNabb withdrew his original second.

A Motion was made by Commissioner Larry Lewis, and seconded by Commissioner Nate Jackson, to amend the proposed rule amendments to increase the required Liability Insurance from sixty thousand (\$60,000) to two hundred fifty thousand dollars (\$250,000) and require the dealer to have immediate access to, and exclusive dedicated use of, motor vehicle storage or display lot capable of accommodating at least fifteen (15) motor vehicles.

VOICE VOTE UNANIMOUS

A Motion was made by Commissioner Donnie Hatcher, and seconded by Commissioner Allen Lewis, to approve the filing of the Notice of Rule Making Hearing for a public hearing on April 14, 2008 based on the amendments that have been made today.

VOICE VOTE UNANIMOUS

SURETY REQUIREMENTS

Commissioner Stan McNabb reported that TCA 55-17-111(g)(3) states the Commission MAY allow a dealer to deposit collateral in the form of a certificate of deposit or irrevocable letter of credit instead of a bond.

Certificates of deposit and letters of credit do not provide the same protection as a bond. For example, when they expire, a consumer cannot make a claim against the certificate or letter.

A Motion was made by Commissioner Stan McNabb, and seconded by Commissioner Nate Jackson, that Commission staff, from this point forward, no longer accept certificates of deposit or letters of credit in lieu of the required bond.

VOICE VOTE UNANIMOUS

DIRECTORS REPORT

The staff would like to request that the Commission approve the purchase of new law books after the new rules are printed.

A Motion was made by Nate Jackson, and seconded by Allen Lewis, to grant the request to order new law books after the changes have been made.

VOICE VOTE UNANIMOUS

Since the last Commission meeting in November, 2007 the following actions have been taken:

Dealers Opened, or Relocated50

Active Licensees as of January 1, 2008

Dealers.....4684

Applications in Process.....55

Distributions/Manufacturers206

Auctions.....34

Representatives.....592

Salespeople.....15305

Dismantlers.....392

RV Dealers.....24

RV Manufacturers.....53

Motor Vehicle Show Permits Issued Since November 2007.....3

Revenue Received \$ 300.00

MOTION PASSED UNANIMOUSLY

Meeting Adjourned.

Brent Smith, Chairman

Don Trotter, Executive Director